

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 99-0595P

Gross Income Tax
Calendar Year 1997

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer requests that the department waive its proposed penalty assessment on liability number 97-0559641.

Taxpayer, in a letter dated November 18, 1999 protested penalties assessed due to a misinterpretation of the law and statutes.

I. **Tax Administration** -Penalty

DISCUSSION

Taxpayer was assessed a negligence penalty because it failed to pay ninety percent (90%) of its tax due by the due date of the return.

Taxpayer states the deficiency was not a result of negligence but an interpretation of the law. Further it is the taxpayer's first year of business in Indiana and the underpayment was not due to any willful neglect of the law.

Taxpayer, however, is required to remit ninety percent (90%) of the tax due by the original due date of the return, i.e. April 15, 1998, and it must make quarterly payments. Taxpayer made no quarterly payments and remitted one third of the tax due as an extension payment. Two thirds of the amount due

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was paid during the extension period, i.e., after the original due date. Penalty and interest are due.

The department finds that a negligence penalty is proper.

FINDING

Taxpayer's protest is denied.

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